



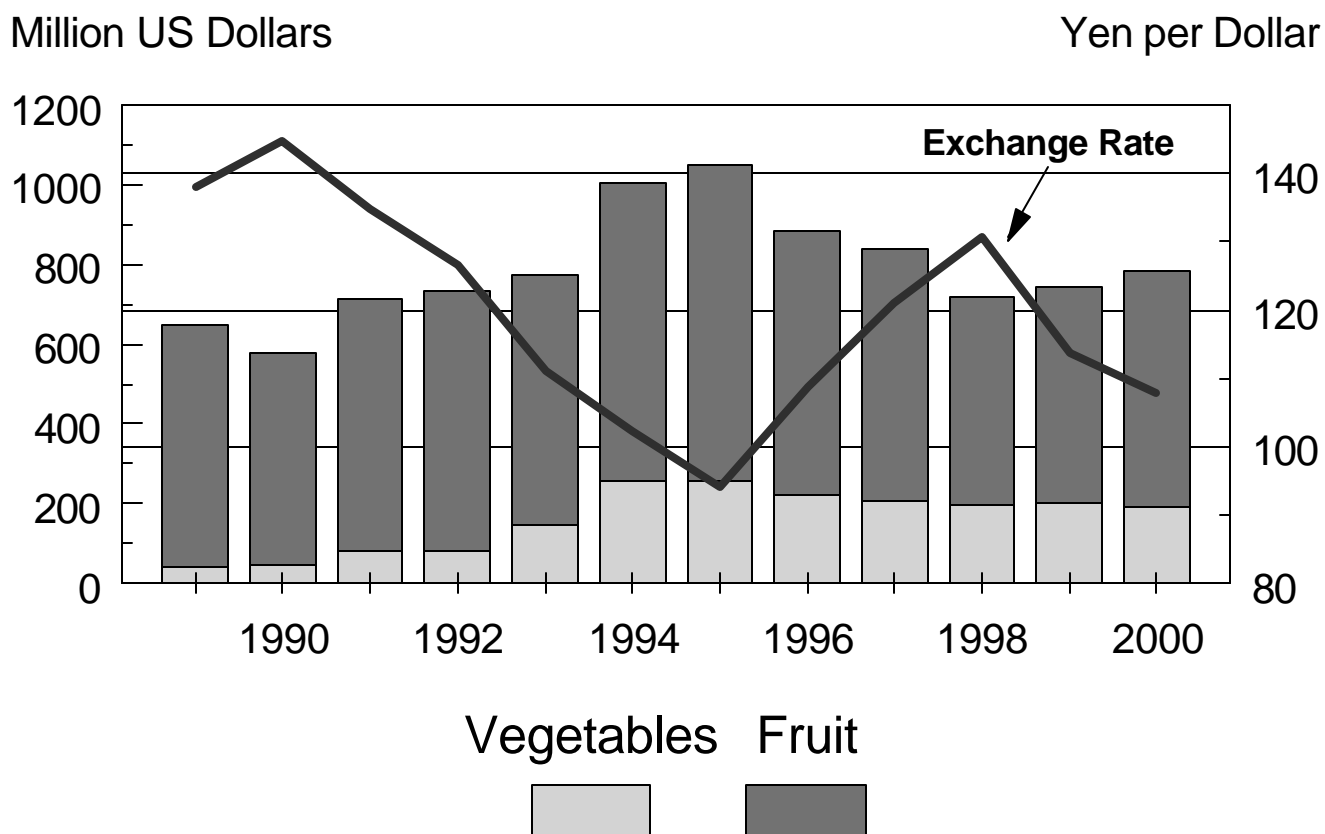
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World Horticultural Trade and U.S. Export Opportunities

Japan's Fresh Vegetable and Fruit Imports from the U.S. and the Yen/Dollar Exchange Rate



Source: World Trade Atlas, IMF

Over the past twelve years, Japan's imports of fresh fruits and vegetables from the United States have responded strongly to the value of the Japanese yen in relation to the dollar. Japan's economic growth over the past decade has been negligible while real wages have increased as nominal wages have grown faster than consumer prices. In general, increased disposable incomes tend to lead consumers to demand value-added products of higher quality. Food expenditures are not expected to increase due to demographic pressures, as Japan's population growth over the past decade has been stagnant. The combination of these factors means that price is a key determinant of Japan's horticultural imports from the United States.

U.S. producer prices for vegetables and fruits increased 8 and 15 percent, respectively, from the beginning of the decade to 1999. This increase in U.S. prices was offset by the strong yen in the mid-1990's. Taking advantage of the lower yen-denominated prices, Japan's imports from the United States rose sharply in 1994 and 1995.

[Check Out the New U.S. Trade Internet System Website. Go to <http://www.fas.usda.gov/ustrade>]